

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Home Department–Cases against M/s. Akshaya Gold Farms & Villas India Limited– Attachment of Movable Properties under Section -3 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999–Ad-Interim Orders – Issued.

HOME (GENERAL.A) DEPARTMENT

G.O.MS.No. 186

Dated: 11-12-2017

Read the following:

1. G.O. Ms. No.193, Home (Genl.B) Dept., dated 23.08.2007.
2. From the Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, Mangalagiri, Guntur District, Lr. C.No.1132/C-13/CID-AP/2014, dated 26.09.2017.

ORDER:

In the G.O 1st read above, to safeguard the interests of the depositors, Government have appointed the Additional Director General of Police, Crime Investigation Department or Inspector General of Police, Crime Investigation Department as the case may be as "Competent Authority" under sub-section (1) of Section - 4 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Andhra Pradesh Act No.17 of 1999) to exercise control over the properties attached by the Government under Section - 3 of the said Act.

2. In the reference 2nd read above, the Additional Director General of Police, Crime Investigation Department has stated that one Sri Munagapati Sudhakar Rao along with some others established M/s. Akshaya Gold Farms and Villas India Ltd, at Sri Vasu Plaza, 2nd floor, 2nd lane, Bhagyanagar, Ongole-I Town, with Corporate Identity Number (CIN) U45400AP2007PLC056203 on 05.11.2007. The company collected deposits from the gullible section of people by promising them high rate of interest or register a piece of land, in lieu thereof. Subsequently, they neither returned the amounts to the public nor did they register plots as promised. Based on complaints of victim depositors, 27 cases were registered at various Police Stations of Prakasam, Kurnool, Ananthapuram, Guntur (Urban & Rural), Krishna, West Godavari and Visakhapatnam Districts. All the above cases were taken over by CID for further investigation.

3. He has also stated that during the course of investigation by the CID, it revealed that the accused enrolled members as Marketing Executives (M.E) in a chain-link/pyramid system, where each member has to enroll members down the line. The members get a commission on each enrollment and also on enrollment of further members down the line. The chain-link breaks when it reaches a saturation point and at this stage only the management and the members who joined in initial stages remain as beneficiaries, whereas those who join at later stages lose their investment. The accused published attractive brochures advertising the land in their possession. They would create a sale agreement for a piece of land in-lieu of the amount deposited by the depositors and execute a sale agreement under the caption "Own your land scheme agreement". But, the accused did not mention either the actual market value of the piece of land, its location, boundaries, survey numbers, or the permissions required to be obtained for the lay-outs from the concerned authorities. Several gullible and low income section of people joined as members in different payment plans of the company. The investigation clearly revealed that the accused and other Directors, Marketing Executives of Akshaya Gold Farms & Villas India Ltd deliberately cheated the public by

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collecting Rs.330 crores as deposits from around 19 lakh depositors. The following persons are cited as accused in these cases:

Akshaya Gold Farms & Villas India Ltd (**A.1**), Munagapati Sudhakara Rao, Director (**A2**); Bhogi Subramanyam, Director (**A3**); Devaki Harnath Babu, Director (**A4**); Final Paulson Vemula, Managing Director (**A5**); Mettela Srinivasa Rao, Director (**A6**); Dada Pulla Rao, Director (**A7**); Atmakuri Ramesh Babu, Director (**A8**); Kodi Sudheer Babu, Director (**A9**); Devaki Srikanth Gupta, Director (**A10**); Talluri Srinivasa Rao, Director (**A11**); Munaf Shaik Abdul, Director (**A12**); Narayanasetti Eswara Rao, Director (**A13**); Jakeer Hussain Kosigi, Director (**A14**); Solman Raju Mandru, Director (**A15**); Palla Appa Rao, Director (**A16**); Nagaraju Manjula, Director (**A17**); Balimiya Shaik, Director (**A18**); Nageedi Veerababu, Director (**A19**); Tanikonda Venkata Rao, Director (**A20**); Vela Sundaram, Director (**A21**); Kukatla Srinivas, Director (**A22**); Marriboina Venkaiah, Promoter (**A23**).

4. He has further stated that out of 27 cases transferred to CID for investigation, charge sheets have been filed in 24 cases and only 3 cases are under field investigation.

5. He has stated that as per the investigation, the accused acquired 2455.18 Acres of land and when sold at the current market price, it will yield an amount of around Rs.100 crores. The company's bank balance of Rs.10.15 crores has been frozen. Thus, the company has around Rs.110.15 crores worth assets, whereas the company's liabilities to the public are about Rs.330 crores. In the said circumstances, the Akshaya Gold Farms & Villas India Ltd is not in a position to return or refund the deposits to the public, who invested their hard earned money in the company expecting to get the same with higher rate of interest, as it does not have sufficient funds either in the form of liquid, variable or fixed assets. There is every possibility of diversion of funds and other assets on the names of the kith and kin and benamies of the management of the company.

6. He has also stated that the Government have already issued orders vide G.O. Ms. No.160, Home (Arms & SPF) Dept., dated 05.12.2014, G.O.Ms. No.125, Home (Genl.A2) Dept., 11.08.2015 and G.O.Ms.No.73, Home (Genl.A2) Dept., dated 10.06.2016, G.O.Ms.No.40, Home (Genl.A) Dept., dated 21.03.2017 and G.O.Ms.No.87, Home (Genl.A) Dept., dated 27.05.2017 for attachment of certain immovable/movable properties. During CID Investigation, some more movable properties as **annexed** to their letter have been found in the name of the company, which were procured with movable properties collected from the customers/depositors. In view of said circumstances, the said movable properties can be attached under Section - 3 of the AP Protection of Depositors of Financial Establishments Act, 1999.

7. He has further stated that the Addl. Director General of Police, Crime Investigation Department, Andhra Pradesh, Mangalagiri, Guntur Dist., is the Competent Authority u/s 4 of A.P. Protection of Depositors of Financial Establishments Act, 1999 and G.O.Ms.No.193/Home (Gen.B) Dept., dt. 23-08-2001 to exercise control over the properties attached by the Government U/s 3 of the said Act.

8. He has requested to issue ad-interim orders in respect of the movable properties as per the Annexure, authorizing him as Competent Authority u/s 3 of A.P. Protection of Depositors of Financial Establishments Act, 1999 in respect of above said movable properties, to file an application before the Court concerned to make the orders absolute.

9. In the circumstances reported by the Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, Government have examined the matter carefully in the light of the provisions of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Act

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No.17 of 1999) and hereby issue an ad-interim order under section 3 of the said Act, for attachment of movable properties in respect of Akshaya Gold Farms & Villas India Limited as mentioned in the **Annexure** and also authorise him as Competent Authority, so as to file an application before the concerned Court to make the orders absolute.

10. The Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, being the Competent Authority is requested to take necessary further action in the matter accordingly as per the provisions of the said Act and the rules made there under, following due procedure and send compliance report to the Government.

11. This order is available on internet and can be accessed at address www.goir.ap.gov.in.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

A.R. ANURADHA
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, Mangalagiri, Guntur District.

Copy to:

The O.S.D. to Dy .C. M (Home)

The P.S. to M (Finance)

The Director General of Police,
Andhra Pradesh, Mangalagiri, Guntur District.

The PS to Principal Secretary to Government, Home Department.

The Law(C) Department.

The concerned shown in the annexure through Additional Director General of Police, Crime Investigation Department, Vijayawada.

The Financial Experts Committee on Ponzy Schemes in Andhra Pradesh (through Additional Director General of Police, CID), Hyderabad.

The SF/SC.

// FORWARDED : : BY ORDER //

SECTION OFFICER

ANNEXURE (Annexure to G.O. Ms. No.186 , Home (General. A)
Department, dated: 07.12.2017)

STATEMENT OF MOVABLE PROPERTY OF AKSHAYA GOLD
FARMS & VILLAS INDIA LIMITED

Cr. No.328/2014 Under section 420, 406 IPC & Sec.5 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 & Sec.4, 5 and 6 r/w 2(1), 3 of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 of 4th Town PS Visakhapatnam City of Akshaya Gold Farms & Villas India Limited attachment of movable properties.

Sl. No	Name of the item	Total No. of items
1	Computer CPUs	23
2	Printers	02
3	Chairs	09
4	Printing Machine (Bib size printer)	01

A.R. ANURADHA
PRINCIPAL SECRETARY TO GOVERNMENT

// FORWARDED : : BY ORDER //

SECTION OFFICER